



Rod R. Blagojevich, Governor
Barry S. Maram, Director

Illinois Department of Public Aid

201 South Grand Avenue East
Springfield, Illinois 62763-0001

Telephone: (217) 782-5565
TTY: (800) 526-5812

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INFORMATIONAL NOTICE

TO: Enrolled Hospitals: Chief Executive Officers, Chief Financial Officers, Patient Accounts Managers, and Health Information Management Directors; and Ambulatory Surgical Treatment Centers (ASTCs)

RE: HIPAA Implementation Status Update and Contingency Plan Information

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The Illinois Department of Public Aid (IDPA) continues to work with its trading partners and billing entities to ensure that electronic transactions covered by the standards for Health Insurance Portability and Accountability Act (HIPAA) are tested and implemented per the requirements of the Act. Per the [CMS Guidance](#) issued July 24, 2003, the department has also prepared contingency plans to ensure that the Medicaid services can continue to be submitted and adjudicated throughout the implementation period.

The department's contingency plans include the capability to continue to accept and process existing formats, including data values and codes within these formats, for a period of time until testing of HIPAA compliant electronic transactions with individual trading partners is determined to be successful. Providers and their software vendors and clearinghouses are encouraged to continue testing to ensure HIPAA compliance is met.

The department has made the decision to retract the HCPCS/CPT Ambulatory Procedures Listing (APL) from our Web site based on the necessity for further review and analysis to ensure the predictability and consistency of the flow of payments to hospitals. The department has been working in conjunction with the Illinois Hospital Association regarding the review of the HCPCS/CPT APL. There will be a new HCPCS/CPT APL posted to our Web site in the near future.

Effective with dates of service on or after October 16, 2003, the department will require that all hospital outpatient and ASTC services be billed using the current formats and current APL ICD-9 CM procedure codes in conjunction with the appropriate HCPCS/CPT codes. **Claims submitted must contain HCPCS/CPT procedure codes in conjunction with the APL ICD-9 CM procedure codes.** Hospitals are encouraged to begin sending both sets of codes as soon as possible. Reimbursement for these services will continue to be made based on the highest APL ICD-9 CM procedure code billed.

E-mail: dpawebmaster@mail.idpa.state.il.us

Internet: <http://www.dpaininois.com/>

In order to ensure the steady flow of payments, IDPA strongly encourages providers to instruct their billing services and software vendors to continue using current IDPA formats and codes, until these entities have demonstrated to the providers successful HIPAA testing results with all parties involved in transmitting electronic claims to payers. Specific information on the department's contingency plans and testing status with specific electronic trading partners is available at <<http://www.myidpa.com/hipaa>>.

Anne Marie Murphy, Ph.D.
Administrator
Division of Medical Programs